

Canned Deciduous Fruit Situation in Selected Countries

Production of canned peaches in selected countries for 2000/2001 is estimated at 1.2 million tons, up 11 percent from the revised estimate of 1.1 million produced in 1999/2000. Exports for 2000/2001 are estimated at 561,379 tons, up 9 percent from the preceding year. Canned pear production for 2000/2001 is forecast at a low 127,983 tons, down 2 percent from the previous year. Exports of canned pears for 2000/2001 are estimated at 85,700 tons, down 11 percent from last year's level.

Regional and Country Highlights

The canned deciduous fruit sector is suffering a market crisis throughout the world due principally to an over production of canned peaches, low prices, and increased competition among the principal exporters: Greece, South Africa and Australia.

Greece

Favorable weather conditions in Calendar Year (CY)2000 resulted in increased output, compared to the 1999. However, due to the relatively large stocks on hand from the previous season and lower prices on the international market, total canned peaches output in 2000 was 44,000 tons lower than the quantity processed in 1999. Exports of canned peaches during CY2000 totaled 400,000 tons, a 19 percent increase relative to 1999 exports. Peach withdrawals in 2000 totaled 204,000 tons, a slight increase over the 1999 level.

The weather conditions through June 2000 were about normal, but fruit size was relatively small because of a heavy set. This combined with very high July temperatures resulted in early varieties ripening a week earlier than expected. Consequently, fruit size was small and fruit was either left on the tree or taken to the withdrawal pools. Later varieties had generally good quality fruit. Despite large beginning stocks (102,000 tons versus 5,506 tons in the previous year), and low prices. Estimated canned output jumped from the fall forecast of 320,000 tons to an estimated 397,000 tons. A preliminary forecast for the 2001 crop is 385,000 tons of canned product.

As of this year, the European Union (EU) price support is granted directly to growers for peaches to be canned. This direct subsidy is set at 47.70 Euro per metric ton. At the present rate of exchange (340.75 drachmas per 1 Euro) the actual grower support price is 16,254 drs/kg. A prerequisite for this payment is a signed contract with a processor. According to peach sector contacts, the processors signed one year contracts with the growers prior to the beginning of the marketing year. The price is negotiated annually and does not include the support price. Supplemental contracts may be signed specifically for peaches,

not later than August 15. The EU announces the support price for peaches every year by April 30.

Prices for a Good Standard 24/1 kg case ranged from U.S.\$ 7.80 - \$8.30.50 August- September and by January-February 2001 were quoted at \$9.20 - \$9.60.

According to EU regulations, the maximum allowable withdrawal quantity of peaches within the EU countries was not to exceed 40 percent of the total marketed tonnage in 1999/2000 and this was further reduced to 30 percent for the 2000/01 season (approximately 204,000 tons).

Italy

Italian canned peach, pear and mixed fruit output for 1999/2000 are estimated at 26,500,tons, 36,000 tons and 65,000 tons respectively. Although growing conditions are favorable so far this year, the output of canned peaches is forecast to decline further because processors prefer to import Greek peaches in bulk and can them under their own labels. The arrangement allows Italian canners to benefit in the export market by using lower cost Greek product in their mixed fruit line. It also provides the canners with leverage to negotiate a lower price from domestic processors.

South Africa (SA)

The long awaited EU/SA free trade accord came into force provisionally on January 1, 2000. Under the agreement, EU imports of South African canned fruit are subject to tariff quotas; 40,000 tons of canned apricots, peaches, and pears combined and 18,000 tons of canned mixtures are allowed in annually at a tariff equal to one half of the prevailing rate, which is generally about 20 percent. While the quota is fairly significant, it does not lead to the duty-free situation that other South African products will eventually enjoy. The agreement should have a beneficial effect on export returns, which are under stress due to a world oversupply situation. Domestically, production costs and inflation are also becoming major problems in an industry suffering from static prices.

Europe is the most important market for South African canned fruit. Between 60 and 66 percent of the exports traditionally go to Europe; this has become very important with the quota allocated under the EU/SA agreement. Initial indications are that the quota will cover between 70 and 80 percent of exports to Europe, but only 40 percent of total exports to all markets. The EU duty benefit of about 10 percent will therefore equate to about 4 percent on the total pack. Thus while helpful, the EU/SA agreement is not expected to provide any stimulus for increased production.

Under the terms of the African Growth and Opportunity Act the United States granted South Africa duty-free treatment for all canned fruit except canned apricots and canned peaches.

Production Supply and Distribution (PS&D) tables for canned mixed fruit and canned apricots have been discontinued. In addition, several countries (France and Japan) have been eliminated from the PS&D tables for canned peaches and canned pears. This decision was necessitated due

to the declining Foreign Agricultural Service budget resources and the need to more strategically target remaining resources in support of the Agency's primary mission to facilitate the expansion of export opportunities for U.S. produced agricultural commodities.

The FAS Attache Report search engine contains reports on the Canned Deciduous Fruit . For information on production and trade, contact Robert Knapp at 202-720-4620. For information on marketing contact Kristan Kezar at 202-609-0556.)

CANNED PEARS: PRODUCTION, SUPPLY AND DISTRIBUTION

Country	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
--Metric Tons Net Weight 1/ --							
Northern Hemisphere							
Italy							
1998/1999	20,000	34,000	6,000	60,000	34,000	10,000	16,000
1999/2000	16,000	36,000	3,000	55,000	34,000	9,000	12,000
2000/2001	12,000	36,000	4,000	52,000	34,000	9,000	9,000
Spain							
1998/1999	1,900	48,000	170	50,070	11,400	30,470	8,200
1999/2000	8,200	36,200	600	45,000	16,300	27,800	900
2000/2001	900	28,483	800	30,183	5,000	24,183	1,000
Australia							
1998/1999	4,786	41,000	65	45,851	24,680	13,500	7,671
1999/2000	7,671	37,780	15	45,466	28,574	14,000	2,892
2000/2001	2,892	41,000	15	43,907	28,000	14,500	1,407
South Africa							
1998/1999	0	26794	27	26821	21596	3820	1405
1999/2000	1405	20494	0	21899	18100	3799	0
2000/2001	0	22500	0	22500	18700	3800	0
Grand Total							
1998/1999	26,686	149,794	6,262	182,742	91,676	57,790	33,276
1999/2000	33,276	130,474	3,615	167,365	96,974	54,599	15,792
2000/2001	15,792	127,983	4,815	148,590	85,700	51,483	11,407

Note: For Calendar year reference, MY 1999/00 would become Cy 1999

1/ One metric ton equals 48.99 standard 45-lb. cases net of 24x2 1/2 cans

Source U.S. Agricultural Attache Reports

CANNED PEACHES: PRODUCTION, SUPPLY AND DISTRIBUTION

Country	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
--Metric Tons Net Weight 1/ --							
Greece							
1998/1999	1,506	267,000	2,500	271,006	255,000	10,500	5,506
1999/2000	5,506	441,000	1,500	448,006	335,500	10,506	102,000
2000/2001	102,000	397,000	1,000	500,000	400,000	13,000	87,000
Italy							
1998/1999	0	28,000	37,000	65,000	51,000	14,000	0
1999/2000	0	41,000	19,500	60,500	37,000	12,000	11,500
2000/2001	11,500	26,500	23,000	61,000	35,000	11,000	15,000
Spain							
1998/1999	3,050	170,000	4,700	177,750	56,500	106,550	14,700
1999/2000	14,700	182,000	4,600	201,300	74,400	104,900	22,000
2000/2001	22,000	146,700	6,000	174,700	55,000	102,700	17,000
United States							
1998/1999	87,977	361,298	13,908	463,183	27,734	359,720	75,729
1999/2000	75,730	357,216	26,229	459,175	20,197	381,619	57,359
2000/2001	57,359	350,888	68,423	476,670	16,945	365,000	94,725
Argentina							
1998/1999	1,000	65,850	7,276	74,126	7,021	63,215	3,890
1999/2000	3,890	65,850	7,276	77,016	7,021	66,105	3,890
2000/2001	3,890	70,000	12,217	86,107	934	73,283	11,890
Australia							
1998/1999	12,808	40,000	244	53,052	15,025	29,549	8,478
1999/2000	8,478	37,040	270	45,788	9,790	30,000	5,998
2000/2001	5,998	40,000	300	46,298	10,000	31,000	5,298
Chile							
1998/1999	102	50,000	376	50,478	42,200	6,500	1,778
1999/2000	1,778	43,500	105	45,383	38,564	6,500	319
2000/2001	319	46,000	0	46,319	39,000	6,600	719
South Africa							
1998/1999	0	88,016	0	88,016	71,231	16,785	0
1999/2000	0	88,016	0	88,016	71,231	16,785	0
2000/2001	0	84,123	0	84,123	69,000	15,123	0
Total							
1998/1999	104,937	803,164	63,504	971,605	270,711	596,319	104,575
1999/2000	106,082	1,081,622	60,480	1,248,184	513,203	628,409	106,572
2000/2001	106,572	1,205,211	111,440	1,423,223	561,379	615,212	246,632

Note: For Calendar year reference, MY 1999/00 would become Cy 1999
1/ One metric ton equals 48.99 standard 45-lb. cases net of 24x2 1/2 cans
Source U.S. Agricultural Attache Reports

U.S. EXPORTS OF CANNED PEACHES
Marketing Year June/May

Destination	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001 1/
--Metric Tons Net Weight 2/ --							
Canada	3,908	5,589	4,192	7,452	6,248	8,043	6,750
Mexico	454	294	451	950	4,154	5,395	243
Japan	4,595	4,290	2,559	2,917	2,475	2,248	1,407
Korea	2,314	2,495	1,593	569	1,220	1,142	1,631
Taiwan	1,259	1,852	1,295	912	1,036	346	540
Singapore	1,164	958	900	228	110	141	90
Hong Kong	943	867	809	287	197	47	75
Philippines	1,018	617	442	119	650	91	1,194
Costa Rica	441	752	494	581	619	450	428
Germany	74	48	233	346	265	101	0
Guatemala	200	186	217	188	226	383	255
El Salvador	117	186	214	218	245	273	284
Saudi Arabia	137	166	201	467	151	154	272
Russia	185	176	1,077	579	5	0	0
Other	1,960	2,817	1,329	3,184	10,133	1,383	3,779
Grand Total	18,769	21,293	16,006	18,997	27,734	20,197	16,946

1/ Estimated

2/ One metric ton equals 48.99 standard cases of 24 x 2 1/2 cans

Source: U.S. Census Bureau

U.S. IMPORTS OF CANNED PEACHES
Marketing Year June/May

Origin	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001 1/
--Metric Tons Net Weight 2/ --							
Greece	16,743	10,489	19,475	4,586	6,715	20,077	47,727
Spain	233	31	4,324	11,424	1,971	1,993	3,735
South Africa	1,693	1,546	2,717	3,863	1,531	474	2,805
Chile	1,637	1,755	1,166	447	69	2,388	1,151
China	97	199	244	728	1,064	369	971
Japan	0	0	69	7	0	0	0
France	49	44	56	102	46	95	107
Italy	4	3	19	13	25	0	29
Other	283	33	17	814	2,487	833	11,900
Grand Total	20,739	14,100	28,087	21,984	13,908	26,229	68,423

1/ Estimated

2/ One metric ton equals 48.99 standard cases of 24 x 2 1/2 cans

Source: U.S. Census Bureau

U.S. EXPORTS OF CANNED PEARS
Marketing Year June/May

Destination	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001 1/
--Metric Tons Net Weight 2/ --							
Canada	2,795	5,669	2,703	3,261	3,293	3,501	3,231
Mexico	25	0	77	14	0	23	0
Germany	170	82	115	95	96	0	0
United Kingd	14	90	85	219	0	0	0
Japan	485	623	311	290	528	279	605
Hong Kong	51	84	49	6	128	87	0
Singapore	113	9	41	10	3	2	141
Thailand	19	6	39	22	17	8	1,785
Malaysia	13	16	31	19	18	6	0
Russia	110	53	43	0	0	0	162
Saudi Arabia	36	64	15	58	29	3	0
United Arab l	555	79	0	390	662	426	0
Other	334	540	197	323	214	254	1,362
Grand Total	4,720	7,315	3,706	4,707	4,988	4,589	7,286

1/ Estimated

2/ One metric ton equals 48.99 standard cases of 24 x 2 1/2 cans

Source: U.S. Census Bureau

U.S. EXPORTS OF CANNED FRUIT MIXTURES
Marketing Year June/May

Destination	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001 1/
--Metric Tons Net Weight 2/ --							
Canada	5,635	5,531	7,422	8,512	10,432	10,273	5,810
Mexico	668	100	185	520	362	374	1,092
Japan	5,612	4,163	3,555	2,928	3,681	3,876	2,468
Philippines	2,801	4,313	3,804	700	633	640	942
Hong Kong	3,915	2,793	1,970	606	506	414	258
Singapore	4,476	3,124	1,826	999	817	567	587
Taiwan	971	622	416	626	814	355	75
Korea	720	238	421	689	500	547	237
Panama	744	637	597	1,148	802	844	699
El Salvador	283	360	337	379	486	447	591
Costa Rica	608	831	834	1,230	1,063	868	914
Saudi Arabia	458	1,055	820	1,182	1,022	186	489
Other	896	2,115	2,762	2,841	4,207	3,109	2,142
Grand Total	27,787	25,882	24,949	22,360	25,325	22,500	16,302

1/ Estimated

2/ One metric ton equals 48.99 standard cases of 24 x 2 1/2 cans

Source: U.S. Census Bureau